



Senate

File No. 685

General Assembly

February Session, 2004

(Reprint of File No. 74)

Senate Bill No. 63
As Amended by
House Amendment
Schedule "A"

Approved by the Legislative Commissioner
April 30, 2004

AN ACT CONCERNING THE GAMING POLICY BOARD AND THE CONDUCT OF BAZAARS AND RAFFLES.

Be it enacted by the Senate and House of Representatives in General
Assembly convened:

1 Section 1. Subsection (k) of section 7-169 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective July*
3 *1, 2004*):

4 (k) (1) Whenever it appears to the executive director after an
5 investigation that any person is violating or is about to violate any
6 provision of this section or section 7-169a or administrative regulations
7 issued pursuant thereto, the executive director may in his discretion, to
8 protect the public welfare, order that any permit issued pursuant to
9 this section be immediately suspended or revoked and that the person
10 cease and desist from the actions constituting such violation or which
11 would constitute such violation. After such an order is issued, the
12 person named therein may, within fourteen days after receipt of the
13 order, file a written request for a hearing. Such hearing shall be held in
14 accordance with the provisions of chapter 54.

15 (2) Whenever the executive director finds as the result of an
16 investigation that any person has violated any provision of this section
17 or section 7-169a or administrative regulations issued pursuant thereto
18 or made any false statement in any application for a permit or in any
19 report required by this section or section 7-169a or by the executive
20 director, the executive director may send a notice to such person by
21 certified mail, return receipt requested. Any such notice shall include
22 (A) a reference to the section or regulation alleged to have been
23 violated or the application or report in which an alleged false
24 statement was made, (B) a short and plain statement of the matter
25 asserted or charged, (C) the fact that any permit issued pursuant to this
26 section may be suspended or revoked for such violation or false
27 statement and the maximum penalty that may be imposed for such
28 violation or false statement, and (D) the time and place for the hearing.
29 Such hearing shall be fixed for a date not earlier than fourteen days
30 after the notice is mailed.

31 (3) The executive director shall hold a hearing upon the charges
32 made unless such person fails to appear at the hearing. Such hearing
33 shall be held in accordance with the provisions of chapter 54. If such
34 person fails to appear at the hearing or if, after the hearing, the
35 executive director finds that such person committed such a violation or
36 made such a false statement, the executive director may, in his
37 discretion, suspend or revoke such permit and order that a civil
38 penalty of not more than two hundred dollars be imposed upon such
39 person for such violation or false statement. The executive director
40 shall send a copy of any order issued pursuant to this subdivision by
41 certified mail, return receipt requested, to any person named in such
42 order. Any person aggrieved by a decision of the executive director
43 under this subdivision shall have a right of appeal to the Gaming
44 Policy Board for a hearing. Any person aggrieved by a decision of the
45 Gaming Policy Board shall have a right of appeal pursuant to section
46 4-183.

47 (4) Whenever the executive director revokes a permit issued
48 pursuant to this section, he shall not issue any permit to such permittee

49 for one year after the date of such revocation.

50 (5) Any person who promotes or operates any bingo game without
51 a permit therefor, or who violates any provision of this section or
52 section 7-169a or administrative regulations issued pursuant thereto,
53 or who makes any false statement in any application for a permit or in
54 any report required by this section or section 7-169a or by the
55 executive director shall be fined not more than two hundred dollars or
56 imprisoned not more than sixty days or both.

57 Sec. 2. Subsection (h) of section 7-169h of the general statutes, as
58 amended by section 3 of public act 03-1 of the January 6 special
59 session, is repealed and the following is substituted in lieu thereof
60 (*Effective July 1, 2004*):

61 (h) (1) Whenever it appears to the executive director of the Division
62 of Special Revenue after an investigation that any person is violating or
63 is about to violate any provision of this section or administrative
64 regulations issued pursuant thereto, the executive director may in his
65 discretion, to protect the public welfare, order that any permit issued
66 pursuant to this section be immediately suspended or revoked and
67 that the person cease and desist from the actions constituting such
68 violation or which would constitute such violation. After such an order
69 is issued, the person named therein may, within fourteen days after
70 receipt of the order, file a written request for a hearing. Such hearing
71 shall be held in accordance with the provisions of chapter 54.

72 (2) Whenever the executive director finds as the result of an
73 investigation that any person has violated any provision of this section
74 or administrative regulations issued pursuant thereto or made any
75 false statement in any application for a permit or in any report
76 required by the executive director, the executive director may send a
77 notice to such person by certified mail, return receipt requested. Any
78 such notice shall include (A) a reference to the section or regulation
79 alleged to have been violated or the application or report in which an
80 alleged false statement was made, (B) a short and plain statement of

81 the matter asserted or charged, (C) the fact that any permit issued
82 pursuant to this section may be suspended or revoked for such
83 violation or false statement and the maximum penalty that may be
84 imposed for such violation or false statement, and (D) the time and
85 place for the hearing. Such hearing shall be fixed for a date not earlier
86 than fourteen days after the notice is mailed.

87 (3) The executive director shall hold a hearing upon the charges
88 made unless such person fails to appear at the hearing. Such hearing
89 shall be held in accordance with the provisions of chapter 54. If such
90 person fails to appear at the hearing or if, after the hearing, the
91 executive director finds that such person committed such a violation or
92 made such a false statement, the executive director may, in his
93 discretion, suspend or revoke such permit and order that a civil
94 penalty of not more than two hundred dollars be imposed upon such
95 person for such violation or false statement. The executive director
96 shall send a copy of any order issued pursuant to this subdivision by
97 certified mail, return receipt requested, to any person named in such
98 order. Any person aggrieved by a decision of the executive director
99 under this subdivision shall have a right of appeal to the Gaming
100 Policy Board for a hearing. Any person aggrieved by a decision of the
101 Gaming Policy Board shall have a right of appeal pursuant to section
102 4-183.

103 (4) Whenever the executive director revokes a permit issued
104 pursuant to this section, he shall not issue any permit to such permittee
105 for one year after the date of such revocation.

106 Sec. 3. Subsection (c) of section 7-181 of the general statutes is
107 repealed and the following is substituted in lieu thereof (*Effective July*
108 *1, 2004*):

109 (c) The executive director shall hold a hearing upon the charges
110 made unless such person fails to appear at the hearing. Such hearing
111 shall be held in accordance with the provisions of chapter 54. If such
112 person fails to appear at the hearing or if, after the hearing, the

113 executive director finds that such person committed such a violation or
114 made such a false statement, the executive director may, in his
115 discretion, suspend or revoke such registration or permit and order
116 that a civil penalty of not more than two hundred dollars be imposed
117 upon such person for such violation or false statement. The executive
118 director shall send a copy of any order issued pursuant to this
119 subsection by certified mail, return receipt requested, to any person
120 named in such order. Any person aggrieved by a decision of the
121 executive director under this subsection shall have a right of appeal to
122 the Gaming Policy Board for a hearing. Any person aggrieved by a
123 decision of the Gaming Policy Board shall have a right of appeal
124 pursuant to section 4-183.

125 Sec. 4. Section 12-557e of the general statutes is repealed and the
126 following is substituted in lieu thereof (*Effective July 1, 2004*):

127 The Gaming Policy Board shall work in cooperation with the
128 Division of Special Revenue to implement and administer the
129 provisions of this chapter, [and chapter] chapters 226b and 229a and
130 sections 7-169 to 7-186, inclusive, as amended by this act. In carrying
131 out its duties the board shall be responsible for: (1) Approving,
132 suspending or revoking licenses issued under subsection (a) of section
133 12-574; (2) approving contracts for facilities, goods, components or
134 services necessary to carry out the provisions of section 12-572; (3)
135 setting racing and jai alai meeting dates, except that the board may
136 delegate to the executive director the authority for setting make-up
137 performance dates within the period of a meeting set by the board; (4)
138 imposing fines on licensees under subsection (j) of [said] section 12-
139 574; (5) approving the types of pari-mutuel betting to be permitted; (6)
140 advising the executive director concerning the conduct of off-track
141 betting facilities; (7) assisting the executive director in developing
142 regulations to carry out the provisions of this chapter, [and chapter]
143 chapters 226b and 229a and sections 7-169 to 7-186, inclusive, as
144 amended by this act, and approving such regulations prior to their
145 adoption; (8) hearing all appeals taken under subsection (k) of section
146 7-169, as amended by this act, subsection (h) of section 7-169h, as

147 amended by this act, subsection (c) of section 7-181, as amended by
148 this act, subsection (j) of [said] section 12-574 and section 12-802b; and
149 (9) advising the Governor on state-wide plans and goals for legalized
150 gambling.

151 Sec. 5. Section 7-172 of the general statutes, as amended by section 1
152 of public act 03-60, is repealed and the following is substituted in lieu
153 thereof (*Effective from passage*):

154 No bazaar or raffle may be promoted, operated or conducted in any
155 municipality after the adoption of the provisions of sections 7-170 to 7-
156 186, inclusive, unless it is sponsored and conducted exclusively by (1)
157 an officially recognized organization or association of veterans of any
158 war in which the United States has been engaged, (2) a church or
159 religious organization, (3) a civic or service club, (4) a fraternal or
160 fraternal benefit society, (5) an educational or charitable organization,
161 (6) an officially recognized volunteer fire company, (7) a political party
162 or town committee thereof, [or] (8) a municipality acting through a
163 committee designated to conduct a celebration of the municipality's
164 founding on its hundredth anniversary or any multiple thereof, or (9)
165 any other organization approved for exemption from federal income
166 tax as an exempt organization under Section 501(c) of the Internal
167 Revenue Code. Any such sponsoring organization, except a committee
168 designated pursuant to subdivision (8) of this section, shall have been
169 organized in good faith and actively functioning as a nonprofit
170 organization within the municipality that is to issue the permit for a
171 period of not less than six months prior to its application for a permit
172 under the provisions of said sections. The promotion and operation of
173 a bazaar or raffle shall be confined solely to the qualified members of
174 the sponsoring organization, provided a committee designated
175 pursuant to subdivision (8) of this section may promote or operate
176 through its members and any officially appointed volunteers. No such
177 member or officially appointed volunteer in the case of a raffle held
178 pursuant to subdivision (8) of this section may receive remuneration in
179 any form for time or effort devoted to the promotion or operation of
180 the bazaar or raffle. No person under the age of eighteen years may

181 promote, conduct, operate or work at a bazaar or raffle and no person
182 under the age of sixteen years may sell or promote the sale of any raffle
183 tickets, nor shall any sponsoring organization permit any person under
184 the age of eighteen to so promote, conduct or operate any bazaar or
185 raffle or any person under the age of sixteen to sell or promote the sale
186 of such tickets. Any sponsoring organization having received a permit
187 from any municipality may sell or promote the sale of such raffle
188 tickets in that municipality and in any other town, city or borough
189 which has adopted the provisions of sections 7-170 to 7-186, inclusive.
190 Such organization may accept a credit card, debit card, check or cash
191 as payment for a raffle ticket. All funds derived from any bazaar or
192 raffle shall be used exclusively for the purpose stated in the application
193 of the sponsoring organization as provided in section 7-173.

This act shall take effect as follows:	
Section 1	<i>July 1, 2004</i>
Sec. 2	<i>July 1, 2004</i>
Sec. 3	<i>July 1, 2004</i>
Sec. 4	<i>July 1, 2004</i>
Sec. 5	<i>from passage</i>

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 05 \$	FY 06 \$
Gaming Policy Bd.	GF - None	None	None
Spec. Revenue, Div. of	GF - Net Impact	Minimal	Minimal

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill as amended is estimated to result in a gain, of less than \$1,000, to the state general fund from additional fees collected from issuing charitable gaming permits. The bill is also anticipated to result in a minimal cost, of less than \$1,000, to the Division of Special Revenue associated with issuing additional charitable gaming permits.

The bill as amended also increases the responsibilities of the Gaming Policy Board. It is anticipated any additional responsibilities of the board will be administered within their current regulatory process.

House "A" allows for any organization approved for exemption from federal income tax as an exempt organization under Section 501(c) of the Internal Revenue Code to apply for and receive a charitable gaming permit. The net impact of House "A" is anticipated to be minimal.

OLR Bill Analysis

SB 63 (As Amended by House "A")*

AN ACT CONCERNING THE GAMING POLICY BOARD**SUMMARY:**

This bill expands the role of the Gaming Policy Board, requiring it to work in cooperation with the Division of Special Revenue (DSR) to implement and administer the charitable gaming (bingo, raffle, and sealed tickets) and lottery statutes. It specifically requires the board to help the director (1) develop and approve regulations to carry out the lottery and charitable gaming statutes and (2) hear appeals on charitable gaming issues.

The bill creates an appeal process for people aggrieved by the DSR executive director's decision to suspend or revoke a registration or permit or fine them for a violation of the charitable gaming laws. It allows anyone aggrieved by the executive director's decision to appeal to the Gaming Policy Board, and to appeal the board's decision to Superior Court.

The bill also adds nonprofit organizations exempt from federal taxation under Section 501(c) of the Internal Revenue Code to those that may promote, operate, and conduct bazaars and raffles. This section of the code exempts organizations under 28 different standards, which include standards for nonprofit corporations, community chests, labor or horticultural organizations, and business leagues.

*House Amendment "A" allows Section 501(c) organizations to operate bazaars and raffles.

EFFECTIVE DATE: July 1, 2004

BACKGROUND***Organizations that May Operate Bazaars and Raffles***

The law allows the following to conduct, operate, or promote bazaars or raffles in towns that have adopted the Bazaars and Raffles Act: educational, veterans', religious, civic, fraternal, and charitable organizations; volunteer fire companies; political parties; and town committees. Designated centennial celebration committees may also promote and conduct town-sponsored raffles. An organization must have a DSR permit to conduct a bazaar or raffle. The organization (but not the committee) must be at least one year old to be eligible for a permit.

Only a sponsoring organization's qualified members may promote and operate bazaars and raffles, and they may not be paid for their services. People under age 18 may not promote, conduct, or work at bazaars or raffles; and people under age 16 may not sell raffle tickets or promote ticket sales.

The organization may award merchandise, tangible personal property, tickets (including lottery tickets), coupons, or gift certificates as prizes. It may not award alcohol, and, with minor exceptions for cow-chip raffles and fifty-fifty games, it may not award cash or anything redeemable for cash.

Legislative History

On April 16, the Senate referred the bill to the Judiciary Committee, which reported it favorably without any change.

COMMITTEE ACTION

Public Safety Committee

Joint Favorable Report

Yea 22 Nay 0

Judiciary Committee

Joint Favorable Report

Yea 40 Nay 0